and 1958 was significantly affected by the recession; as a consequence the basic longer run trends in output are best understood after these years are eliminated.

For the period as a whole, the durable goods industries grew at a faster rate than nondurable. Accounting for 51 percent of output in 1948, the durable goods industries contributed 62 percent of the overall rise in output. Nondurable goods industries, which accounted for 49 percent of output in 1948 contributed only 38 percent of the rise in production. Indeed if we eliminate the chemical industry, the other nondurable goods industries contributed only 26 percent of the rise in manufacturing output.

A greater than average rise in durable goods output did not characterize the entire period. From 1948 to 1953 durable goods industries accounted for 72 percent of the total increase in manufacturing production; from 1953 to 1956, however, durables contributed only 37 percent of the output rise. The major factor behind this particular pattern of output behavior is, of course, the defense program. If we single out the industries most directly affected—fabricated metal products, nonelectrical machinery, electrical machinery, transportation equipment, and instruments—we find that these five industries alone were responsible for 60 percent of the gain in total manufacturing production between 1948 and 1953. If we add chemicals, a strong growth industry, to the list, this group of industries accounts for 71 percent of the total rise in output. From 1953 to 1956, on the other hand, these five durable goods industries account for only 18 percent of the increase in manufacturing output. It was during this latter period that defense procurement was being reduced. Indeed, of the 18 percent contribution to output made by this group of industries, 13 percent came from the electrical machinery and instrument industries alone, which, because of their importance in missile procurement, were less subject to the impact of defense cuts.

The industries whose rates of growth were slower than average during the 1948–53 period were primary metals, lumber, furniture, stone, clay, and glass, miscellaneous manufacturing, textiles, apparel, rubber, leather, printing and publishing, food and beverage, and tobacco. Although accounting for 55 percent of total output in 1948, they contributed only 23 percent of the increase in output from 1948 to 1953. The slower than average rate of growth in these industries is in large part explained by two basic factors. First, a large number of them are heavily oriented to the consumer sector of the economy. During these 6 years, as the defense program took an increasing share of total output, consumer purchases accounted for a declining share. And, of course, the industries principally serving the consumer sector of the economy reflected this shift in the pattern of overall demand. Second, the other industries in the slowly expanding group are those whose output is only one stage removed from raw materials—they are the first step in the several stages of processing which eventually results in finished goods. One of the outstanding characteristics of economic growth has always been the growing amount of fabrication per unit of raw materials. In other words the output of finished products has risen faster than the output of raw or semifabricated materials. The growth of labor and capital inputs applied to the fabricating process has steadily risen in relation to the inputs applied at lower stages of production. As a consequence the output of the